

**BOARD OF SELECTMEN MINUTES
JANUARY 20, 2004**

Bond Hearing

Chairman Jay Dinkel welcomed everyone to the Town of Amherst's bond hearing at 7:03 p.m. when he called the hearing to order. Selectmen present: Steven Desmarais, Marilyn Peterman, Bruce Bowler and Robert Heaton. Also present Town Administrator Carl Weber and Executive Assistant Sharon Frydlo.

Mr. Heaton moved to open the public hearing, second by Mr. Bowler. Vote: Unanimous.

Mr. Dinkel briefly explained the four handouts as they related to what the Board is proposing for FY '04-05. Included in the documentation was a copy of the warrant articles, a copy of the Ways & Means Committee's positions, the net tax impact on the warrant articles and a summary of the operating budget with a comparison of FY 2004. He advised that during the year the Selectmen solicit input from various Boards and Commissions and took the moment to thank W&M Chairman Dick Dyer and his committee who worked with the Board in this regard – it was a great service and a sacrifice on each member's part.

Mr. Dinkel also thanked the Conservation Commission for their service and from where the thought process for **Article 2** began. This was a \$5,500,000 bonding authority for the purchase of open space, conservation land and also included up to \$825,000 for active recreation that would include recreation fields with the tax impact being 44 cents per \$1000 of assessed valuation. The Conservation Commission did a great deal of research and educational work in proposing this article. Both the Selectmen and Ways & Means unanimously support it.

Mr. Dinkel called upon Conservation Chairman John Harvey to answer any questions that might be raised from members in the audience. In answer to David Fraser's question, Mr. Harvey explained that before any money can be expended, the law required that two public hearings be held, the Board of Selectmen are given the responsibility to buy the land and recommend the method of bonding. In response to Pixie Lown's question, he said that passive recreation is used for wildlife as well as for hiking, snow showing, etc. and active recreation involves such things as team sports. He briefly talked about criteria being put in place for both conservation and recreation land purchases. The Commission will be proposing an "Open Space Acquisition Committee" comprised of people from Amherst. The Selectmen will be making the selection for that committee. Their first task would be to sit down and determine the specific criteria by which properties will be selected, bought and funded. When there is a "package" that meets whatever criteria that has been established, the Selectmen will hold the two hearings. The Conservation Commission will be the overseers and the Board of Selectmen have the final authority after the two public hearings. Mr. Dyer advised W&M had no other comments. Discussion on Article 2 was closed at 7:15 p.m.

Article 3, Mr. Dinkel advised was for \$249,500 for a proposed upgrade of Davis Witty Drive and the addition of a turning lane on Boston Post Road. Last year the proposal was for \$425,000 and was defeated. The Selectmen felt there was a need for this improvement and was being resubmitted with a lower amount, thanks to the Department of Public Works and engineers who reviewed the specifications and estimated the cost, by doing it in-house, at \$175,000 less than last year. Mr. Dinkel talked about the long lines of traffic both in the mornings and evenings with traffic backed up as much as a half mile in the mornings. Traffic studies have been done and on one given day the average is 5,900 cars per day between 7:00-8:00 a.m. and 4:00-5:00 p.m. which indicates that not all of the traffic is going in and out of the schools. 5,900 cars are through traffic that indicates just how busy the road was, even without the schools. W&M supports this article as well. Mr. Dyer commented that the written part of W&M report shows the split decision of 4-3. A resident on Terrace Lane asked which side of Boston Post would be widened and how far down Boston Post would it go? Mrs. Peterman explained the widening would take place before Terrace Lane, but was not sure on which side of the road. Mr. Weber commented it would

be a combination of both sides where there was a right-of-way, and indicated it would primarily be on the school side. He also indicated the Town's new web site – www.amherstnh.gov - is debuting soon and they would have this information on it.

Article 4 – Mr. Dinkel reported they are proposing to replace a 1982 Fire Department tanker truck with a new one that had increased capacity of a 1250 GPM pump that would allow the truck to also serve as a back-up pump truck. The older tanker has smaller capacity and is rusted and costly to repair. The original capital plan called for \$40,000 for rehabilitation for this fiscal year. With Chief John DeSilva's input, the Selectmen decided not to put this money into an old tanker, but to invest in a better and safer truck that will last longer. The safety issue is addressed in a recent U.S. Fire Administration Report that trucks with single axels carry only 1,500 gallons of water – the older, single axel tanker, carries 2,000 gallons. They will be saving \$40,000 for the rehabilitation of the older tanker and are proposing bonding the new \$250,000 truck at an estimated rate of 4.2% or 3 cents per \$1000 valuation. The Board of Selectmen support this by a vote of 4 to 1 because of the attractive low interest rate for borrowing money over a ten year period.

Mr. Desmarais spoke of his objection to change the way the Town has been funding vehicles for the past 20 years by putting money into a capital reserve every year for the purchase of fire equipment, graders and trucks. If they were changing the policy, he felt it should be done by the CIP Committee, who would consciously decide on this and make a recommendation. He felt the whole picture of financing needs to be looked at a bit harder before providing a new policy. He said he supported buying a new tanker from the capital reserves and put in two additional payments for the next several years. Mr. Dinkel explained the Selectmen created this to take advantage of the interest rates. In response to Kevin Grassett's questions, Mr. Dinkel explained that \$83,000 had been appropriated in the current budget, but will be returned to the bottom line to offset the taxes. Because they were borrowing money at such a low rate, it gives them added buying power - the Capital reserves were earning only approximately 1%. Mr. Grassett felt this was a poor decision and agreed with Mr. Desmarais. He also thought it better to stay with capital reserves with money already appropriated. Mr. Dinkel commented this will help offset taxes and the State funding will only help offset taxes over the next year. He thought this was a point well taken and explained the Selectmen had discussed this a great deal. This was not a policy, it was merely taking advantage of today's market. After further discussion regarding Capital reserves and the CIP Committee's role, *Mrs. Peterman moved to close the public hearing at 7:40 p.m., second by Mr. Bowler. Vote: Unanimous.*

Mr. Dinkel announced that the public hearing on the budget would not begin until 8:00 p.m.

FY 04-05 Budget Hearing

Mr. Dinkel called the public hearing to order at 8:00 p.m.

Mrs. Peterman moved to open the public hearing on the budget, second by Mr. Bowler. Vote: Unanimous.

Mr. Dinkel announced the hearing was to discuss Warrant Articles 5-14 and again reviewed the specific handouts associated with this hearing.

Article 5 – Operating Budget. Mr. Dinkel informed the audience that W&M supported the article by a vote of 7-0, the blue W&M Report had not been updated. He spoke of various increases in the operating budget amounting to \$269,567.00 some of which were for MACC Base Communication Center, full and part time wages, a new detective position in the Police Department, Health & Dental Insurance, Souhegan Regional Landfill, building maintenance, property and liability insurance, legal expenses and a one-ton lease for DPW/Recreation. If the budget was approved the tax impact would be 20 cents per \$1000. At the beginning of the process, the Selectmen set a target of no more than a 5% increase in the operating

budget and W&M understood where they were coming from and thought the Board should get it down to less than that. With cost saving measures and the removal of a \$90,000 capital reserve payment for the pumper, they met their target goal of under 5%.

Article 6 – DPW Union Contract. Mr. Dinkel reported they had negotiated a three year contract with the DPW Union in the amount of \$50,952.95 (tax impact of 4 cents per \$1000) and talked about the breakdown associated with this amount.

Article 7 – Police Union Contract. Mr. Dinkel advised they had negotiated a two year contract with the Police Union in the amount of \$60,363.00 (tax impact of 4.9 cents per \$1000) and also explained the breakdown associated with this amount. He spoke about being fair to all the Town's employees and thanked Bob Heaton for accomplishing settlements for both unions in his "spare time".

Article 8 – Capital Reserve Fund for Revaluation. Mr. Dinkel explained \$25,000 was being proposed for the first year capital reserve in anticipation of a full town revaluation in the future. Last year they concluded a revaluation and used two outside firms – Vision Appraisal provided a software package and MRI now oversees the assessing process with the staff. They are undertaking an update of one quarter of the parcels each year. Under the State guidelines they need to reach certain boundaries. When they get outside of those boundaries, they have to do something about this and they don't know when it will be. The cost of a revaluation is approximately \$100,000 and by putting \$25,000 aside for 4-5 years, they will have the amount when needed. If they can hold off longer, they will, but they wanted to be prepared for the State's re-certification plan.

Article 9 – Capital Reserve for DPW Replacement Trucks. Mr. Dinkel advised they were going to remove \$198,000 that was already in the capital reserves to purchase two six-wheeled dump trucks. These trucks will replace a 1991 truck and a State surplus one. They want to take advantage of buying new equipment that will be upgraded with ground speed controls and automatic tire chains. There will be no tax impact because the funds are in the capital reserves. Mr. Fraser mentioned they were borrowing money from the capital reserves for this purchase, why were they not doing the same as with the fire truck? Mr. Dinkel replied that they already had the funds in the capital reserves and they may as well use them.

Article 10 – Town Hall Phase III. Mr. Dinkel spoke of the \$175,000 being proposed to upgrade the heating, A/C and electrical systems in the Town Hall. They have been undertaking renovating the building to bring it up to code. In the course of the excavation, they have increased the basement to a full size one that could be used for meetings, offices and storage. While doing this, the wiring in the building has been exposed. Rather than cover it up and then go back, it is the Selectmen's recommendation to fix it now and then cover it up. The HVAC system is outdated and needs to be replaced and will save utility expenses. Historically the front door was the entrance to Town Hall and they propose to change this back to the way it was. A small portion of the \$175,000 will be used to pay for this. The tax impact was 14 cents per \$1,000. W&M supported this by a vote of 6-1.

Article 11 – PMEC Capital Campaign. Mr. Dinkel reported the capital campaign was going to be used to expand the facility in order to provide much in demand classes and environmental studies which they don't have a place to do now. Much is now being done by PMEC, but this will help boost the campaign so that they will be able to become more self-sufficient. W&M supports the article by a vote of 6 in favor 1 abstained.

Article 12 – Amend Recreation Revolving Fund. Mr. Dinkel explained they wanted to open this up again in order to follow the law so that funds, if available, can be used to help expand the facilities. There is no tax impact and the only funds that would be used would be those from the Recreation Department and programs. They could see a tax savings by doing this. W&M supports the article by a 6-1 vote.

Article 13 – Veteran’s Exemption Increase. Mr. Dinkel advised they propose to increase the veterans’ exemption that is currently allowed by law to many veterans meeting certain criteria. The proposal is to increase it from \$100 to \$150 with the thought process to revisit this on an annual basis. The affect of the increase is 2 cents per \$1000 valuation on the tax rate. W&M supports this by 6-1.

Article 14 –Recreation Capital Reserve from Surplus. Mr. Dinkel reported that W&M had not had a chance to vote on this breaking good news. Enterprise Rental Cars typically do a great deal of registrations in other parts and cities in the country. They proposed to the Town they would be willing to register a significant amount of cars (up to \$100,000 revenue) through Amherst’s Town Clerk if those funds could be used to support recreation – specifically a capital reserve funding for recreation and field development. This is a gift and they are very thankful for the offer. This is purely a revenue shuffle provided Nancy Demers and her team can handle it.

Article Petition – 1. Mr. Dinkel read the article and announced that the Selectmen unanimously do not support it. It may be physically impossible to purchase Bon Terrain as the value may go over the Town’s bonding authority. They have no knowledge if the owner wants to sell it. W&M unanimously does not support it. The petition also has no valid amount and would not pass by DRA.

Peggy Miller said she was one of the signers and talked about a 77 condo unit being developed in the area. While giving advice to the Planning Board and ZBA, their concerns grew after talking to scientists around the country. She did not understand why the Planning Board ignored their own scientist regarding conventional leachfields. They then went to the ZBA and asked them to hear them out. All they asked for was further study before putting in the units. The ZBA did not want to hear it. They had one choice - petition warrant article that would allow the voters to make a decision and they would try to make their case which was further study. It was their opinion the Town should own this land in perpetuity as protection for the aquifer. This would be better for the Town than letting an economic development go in and this was why they put in two petition articles.

Linda Kaiser of W&M said she was talking about an industrial park of 300 acres and probably was worth \$60,000,000 - the bonding capacity for the Town. She mentioned that the petitioners were talking about raising taxes and on her house it would be an increase of \$3,109 per year. How did they think this was good, she asked? It was irresponsible to put on a warrant article without a cost attached to it. Mr. Weber added an article without having an appropriation attached to it would still be part of the spirit of the meeting. The article cannot be amended to add an appropriation after the fact. Mr. Dinkel said they could inform the citizens and hopefully separate this from Article 2 to deter it from the “real open space article”. He asked Mr. Harvey Conservations opinion? Mr. Harvey remarked they agreed with both the Selectmen and W&M, however, no vote was taken.

Mrs. Peterman moved to close the public hearing at 8:40 p.m., second by Mr. Bowler. Vote: Unanimous.

Upon a motion made and duly second, the Board adjourned the meeting at 8:40 p.m.

Respectfully submitted,

Sharon L. Frydlo
Executive Assistant